

Message Text

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PAGE 01 PARIS 37191 221111Z
ACTION EB-08

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 STR-05 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
SOE-01 OMB-01 DOE-12 /123 W
-----124303 221136Z /14/75

R 211826Z DEC 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 3426
INFO ALL EC CAPITALS
USMISSION GENEVA
AMEMBASSY STOCKHOLM
AMEMBASSY SEOUL
AMEMBASSY TOKYO
AMEMBASSY MADRID

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C O R R E C T E D C O P Y (SIGNATURE ADDED)

USEEC ALSO FOR EMBASSY, PASS TREASURY AND STR

E.O. 11652: N/A
TAGS: ETRD, EIND, EC, FR
SUBJECT: COMMENTS ON EC STEEL AND SOLOMON PLANS.

REF. BRUSSELS 18991

1. SUMMARY: IN DECEMBER 21 MEETING WITH ECON/COMMERCIAL
MINISTER, JACQUES FERRY, PRESIDENT OF EUROFER AND
FRENCH STEEL INSTITUTE, EXPRESSED SATISFACTION WITH THE
OUTCOME OF EC MINISTERIAL STEEL DISCUSSIONS AND A
CAUTIOUS ACCEPTANCE OF THE US TRIGGER PRICE SYSTEM.
END SUMMARY.

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PAGE 02 PARIS 37191 221111Z

2. FERRY SEES THE MEASURES TAKEN BY THE EC COUNCIL
(REFTEL) AS RESPONDING TO THE NEEDS TO RESTORE ORDERLY
CONDITIONS ON THE EUROPEAN STEEL MARKET. THE
COMPENSATORY DUTY SYSTEM, WHICH COVERS ONLY CARBON
STEEL PRODUCTS (EXCLUDING PIPES), IS SIMILAR TO OUR
TRIGGER PRICE SYSTEM, ACCORDING TO FERRY.(WE POINTED

OUT THAT SYSTEMS ARE NOT THE SAME). HE EXPECTS THAT THE REFERENCE PRICES WILL BE SET AT A DISCOUNT OF NOT MORE THAN 8 PERCENT FROM EC ORIENTATION PRICES. ACCORDING TO FERRY'S STAFF, THEY HAVE RECEIVED LATE WORD THAT THE SYSTEM WILL BE IN PLACE FOR SIX MONTHS INSTEAD OF THREE WHILE THE EC NEGOTIATES BILATERAL QUANTITY AND PRICE AGREEMENTS WITH ITS PRINCIPAL SUPPLIERS.

3. FERRY QUESTIONED US ON DETAILS OF THE TRIGGER PRICE SYSTEM. WHILE REGRETTING THE EXCLUSION OF STAINLESS STEEL FROM THE PLAN, AND EXPRESSING RESERVATIONS CONCERNING THE PRICES, HE STATED THAT THE U.S. AND EC PLANS SHOULD SERVE TO CALM AND STABILIZE THE WORLD STEEL MARKET. HE EXPECTS TO RECEIVE MORE DETAILS ON THE FUNCTIONING OF OUR SYSTEM FROM THE EUROFER EXPERTS NOW IN WASHINGTON.

4. FERRY COMMENTED ON TWO ADDITIONAL SUBJECTS:
EC ANTIDUMPING PROCEEDINGS AND THE OECD DISCUSSIONS.
--EC ANTI-DUMPING PROCEEDINGS ARE IN THE WORKS ON SPANISH EXPORTS OF STEEL SHEET AND STEEL BEAMS IN ADDITION TO THE ALREADY PUBLICIZED PIPE PROCEEDINGS.
--THE INSTITUTE VIEWS THE STATEMENT ISSUED AT THE MOST RECENT OECD AD HOC STEEL DISCUSSIONS AS HOPEFULLY A POINT OF DEPARTURE FOR DISCUSSIONS LEADING TO LONG-TERM LIMITED OFFICIAL USE

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PAGE 03 PARIS 37191 221111Z

SOLUTIONS IN THE STEEL SECTOR.

5. THE "FIGARO" OF DECEMBER 2L IN REPORTING THE EC PLAN QUOTES PRIME MINISTER BARRE AND INDUSTRY MINISTER MONORY AS STATING THAT THE DECISIONS TAKEN AT THE EC MINISTERIAL MEETING DEC. 19-20 ARE SATISFACTORY TO THE GOF. AT A PUBLIC CEREMONY ATTENDED BY EMBASSY REPRESENTATIVES ON DEC. 20, MONORY'S CHEF DE CABINET SPOKE ENTHUSIASTICALLY ABOUT THE BRUTSELS DECISIONS. HARTMAN

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Message Attributes

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